

This record is a partial extract of the original cable. The full text of the original cable is not available.

160831Z Mar 05

C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001151

SIPDIS

DEPT PASS AIT/WASHINGTON
DEPT PLEASE PASS USTR

E.O. 12958: DECL: 03/16/2015

TAGS: [ECON](#) [ETRD](#) [PGOV](#) [TW](#)

SUBJECT: PREMIER CONTINUES TO MOVE CLOSE AIDES TO KEY
POSITIONS

Classified By: ROBERT W. FORDEN, AIT KAOHSIUNG PRINCIPAL OFFICER.
REASON: 1.4(B/D).

1. (C) Summary. According to long-time allies of Premier Frank Hsieh, Hsieh will continue to move key staff from the Kaohsiung City Administration to the Executive Yuan. However, political considerations are forcing a slow pace in the announcements. Sources told AIT/K that former Kaohsiung City Finance Director Kenneth Lin is likely to be named Minister Without Portfolio in the next month, to assist Hsieh in economic policy. Lin would replace former Economic Minister Lin Yi-fu who is expected to be appointed Taiwan,s representative to the WTO. Also likely to move to EY positions in the coming months are Kaohsiung City Social Affairs Director, Jason Hung, and Kaohsiung City Finance Director, Ray Dawn. End Summary.

2. (C) Several long-time allies of Taiwan Premier Frank Hsieh in Kaohsiung have told AIT/K that Hsieh continues preparations to move his long-time aides into key positions in the LY. In particular, Hsieh is preparing to make moves in several EY Minister Without Portfolio positions that traditionally have been filled by the Premier,s key advisors in core policy areas.

New Minister/Economic Advisor and Representative to WTO

3. (C) Jason Hung, Kaohsiung City Social Affairs Bureau Director and a key player in Hsieh,s former Kaohsiung City Government team, told AIT/K March 14 that former Kaohsiung City Finance Director Dr. Kenneth Lin will soon be appointed to the Minister without Portfolio position now held by former Minister of Economic Affairs Lin Yi-fu. Lin Yi-fu, Hung said, will leave that position to become Taiwan,s new Representative to the World Trade Organization (WTO). Hung added that Lin Yi-fu,s move to Geneva became likely after former Mainland Affairs Commission (MAC) Chairwoman Tsai Ing-wen expressed no interest in taking up the WTO post. Hung noted that the holder of this Minister without Portfolio position was traditionally the Premier,s key advisor on economic issues. The above appointments, he said, would likely be announced in April.

New Minister At-Large for Social Affairs?

4. (C) Another Minister Without Portfolio position, vacated by Chen Chi-Mai when he moved last month to become Acting Mayor of Kaohsiung, has also been the subject of media speculation. Former Kaohsiung Finance Director Kenneth Lin, current Kaohsiung Finance Director Ray Dawn, and current Kaohsiung Social Affairs Director Jason Hung had all been mentioned as possible candidates. However, both Jason Hung and Ray Dawn told AIT/K that the Ministerial position vacated by Mayor Chen was one that had traditionally taken charge of social and cultural issues. Thus, it was unlikely that either Kenneth Lin or Ray Dawn would be appointed to this position. As for Hung, however, his background and experience fit. Hung declined to answer whether he had been offered the post, but emphasized to AIT/K that his relations with Premier Hsieh went way back and he expected to again serve Hsieh in the future. Separately, however, Hung,s wife told AIT/K staff that Premier Hsieh had already told Hung to prepare to move to Taipei in mid-summer.

Other Hsieh Aides Wait Patiently

5. (C) Other former key advisors to PM Hsieh are also expected to find new positions in the EY. In denying media reports that he would be appointed to one of the two Minister Without Portfolio positions described above, Dr. Ray Dawn, the current Kaohsiung City Finance Director, told AIT/K that he expected to be named to another position in the not-too-distant future. He pointed out the Premier is under a great deal of pressure to find positions for DPP nominees who failed in their December 2004 LY election bids. Dawn said that he expected to move to a new position in Taipei,

but meanwhile he needed to be patient.

Political Considerations Slowing New EY Appointments

16. (C) According to Hung, there are a number of reasons that Premier Hsieh is moving slowly to install his own team in the EY. First, Hsieh does not want to force out incumbents who have been in their positions for a very short time. Instead, he has tried to signal to them that they should work to find new positions and allow them time if possible to prepare for a graceful exit. Moreover, Hung said, Hsieh consults with President Chen on all major appointments and will not make any moves until he gets Chen's concurrence. Finally, in order to ensure completion of major projects started during Hsieh's tenure as Kaohsiung Mayor, Hsieh will not move key members of the Kaohsiung City Government until he is certain that acting-Mayor Chen Chi-Mai has selected replacements capable of seeing the projects through to completion.

Comment: Hsieh Moving Deliberately to Take EY's Reins

17. (C) Both Hung and Dawn are long-time contacts of AIT/K, which considers them reliable. Both have longstanding and close relationships with Premier Hsieh and served in key advisory roles in Hsieh's Kaohsiung City administration. Their comments about the factors that are influencing the slow pace of Hsieh's appointments to key EY positions are consistent with what we have heard from a variety of contacts. They are also consistent with Hsieh's management style. When Hsieh took up the reins of the Kaohsiung City Government six years ago, he also moved slowly to position his closest aides into positions, being careful to ensure that he and his allies had a strong command of the issues before replacing experienced incumbents. Hsieh is also widely expected to be a leading DPP candidate for President in four years. In assembling his government, he wants to ensure positions for key DPP figures, some of whom were defeated in the LY election. This will be important for broadening his support for a future presidential run.

FORDEN

PAAL
PAAL